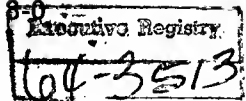


**SECRET**

(CLASSIFICATION)

**OFFICE OF THE DIRECTOR**Action Memorandum No. A-378Date 19 MAY 1964

TO : Deputy Director (Support)

SUBJECT : Agency Average Position Grade

## REFERENCE:

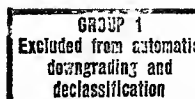
1. It has come to my attention that the Agency's average position grade has continued to rise during the last year and is now  . This has occurred since the passage of the Salary Reform Act of 1962 which granted two pay increases aggregating up to 16 per cent. In the presentation of the next Agency budget, it will be impossible to defend a further rise in the Agency's average grade in the face of the President's economy program, the Bureau of the Budget's explicit instructions to the contrary, and the substantial pay increases which have been approved in the past two years by the Congress.

2. I understand that this increase in average grade reflects not only upgrading of existing positions but also the maintenance of so-called "headroom" - the difference between position grades and incumbent grades. This undoubtedly provides an excess of promotional opportunities which are unnecessary in a well-managed organization. To insure efficiency and economy, the average employee grade should be maintained at a more constant level by restricting promotions generally to positions vacated by promotion, reassignment and separations. Since this may not be possible without impractical controls over individual promotion actions, I believe that we can achieve a similar and desirable result by establishing a closer relationship between an employee's grade and the grade of the position to which he is assigned. This will encourage supervisors to make more effective and conservative use of their higher-graded positions and should make personnel requirements and assignments more realistic.

SUSPENSE DATE:

**SECRET**

(CLASSIFICATION)

A  
C  
T  
I  
O  
N

25X1

M  
E  
M  
O  
R  
A  
N  
D  
U  
M

**SECRET**

3. Will you therefore instruct the Director of Personnel to take the necessary action to reduce the 'headroom' throughout the Agency a sufficient amount to lower the average position grade to at least that of a year ago and preferably somewhat lower. Insofar as possible, this should be accomplished by reducing the grades of positions which have been historically and consistently filled by individuals graded at levels below the position grade, including clerical positions. An effort should be made, of course, to maintain grading patterns which permit reasonable career advancement.

4. Since the Agency's average position grade should be reduced before the next Agency budget presentation, this regrading of positions must be accomplished and a report submitted to me by 30 June 1964, showing the number of positions reduced (by grade and by major office or division), the previous Agency average grade, the average grade for 1 July 1963, the new Agency average grade, and the current employee average grade.

5. In order to avoid a recurrence of this situation in the future, the Director of Personnel should insure that positions are not upgraded, hereafter, without compensating downgrading of positions at approximately the same grade levels, as was the intent of former Agency Notice [redacted] 26 February 1959. Furthermore, no employee should be assigned to a position which is graded at more than two grades above the employee's grade. If you feel it is necessary, an Agency Notice announcing these policies can be drafted by the Director of Personnel and submitted to me for review and approval before issuance.

25X1

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick  
Executive Director-Comptroller

cc: Director of Personnel  
DDP/OF  
ADDI/M  
EO/DDS&T

BPAM/[redacted] kfh (14 May 64)

Distribution:

Orig - Addressee

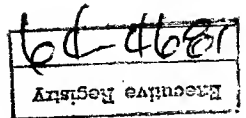
1 - Executive Registry ✓

1 - D/BPAM (MP)

**SECRET**

SECRET

4-3349



MEMORANDUM FOR: Deputy Director for Support

SUBJECT: Average Grades

REFERENCE: Action Memo A-378, from Ex. Dir. -Compt.  
to DDS, 19 May 1964

1. Before our concurrence and your approval of actions being proposed by the Director of Personnel in response to reference, I should like to make the following observations:

a. Rise in Agency Average Grade:

The Executive Director-Comptroller implies that substantial increases have occurred in the Agency average grade during the past year. I am informed that within the Clandestine Services the increase during this period has been nominal, from [ ] and due principally to our reduction of approximately [ ] positions. Necessarily, a number of the positions eliminated have been of the lower grades and other lower graded GS positions have been converted to [ ] slots--which have removed them from the average grade computation. I am sure you are aware that the CS has in most cases compensated for any upgradings during the year in compliance with Notice [ ] 26 February 1959.

25X1

25X1

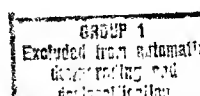
b. Proposed Average Grade Adjustment for the Clandestine Services:

The Director of Personnel proposes that the CS average grade be reduced from [ ] as compared to the July 1963 average of [ ]. The decrease seems to be considerably more than was necessary to meet the Executive Director-Comptroller directive to reduce to the July 1963 level and

25X1

25X1

EXECUTIVE



SECRET

"preferably somewhat lower". We have identified a number of key Base and Station Chief positions which we believe at this time to warrant upgrading and have requested the Chief, Salary and Wage Division to review these positions concurrently with the downgrading exercise now taking place. If this could be done we are sure that these overdue upward grade adjustments could be accommodated well within the required new average grade figure.

c. Relationship between the grades of positions and individuals:

The Executive Director-Comptroller mentions the need to establish closer relationships between the grades of positions and people, and to eliminate unnecessary headroom. The Clandestine Services, which, unlike the DDI, has a large overseas structure, must continue to use personal rank assignments to staff a number of positions for reasons involving qualifications, cover, operational requirements, and the geographical location involved. This means that if our grades of personnel are to correspond in total to the authorized position structure, a compensating underslotting to the personal rank assignments will and should exist. Otherwise, promotional opportunities will cease. We note that a number of [ ] and above positions are being reduced in grade to one grade above that of the incumbent, a greater reduction than directed by the Executive Director-Comptroller, who indicates a two-grade differential as acceptable. We understand that the Director of Personnel is proposing the one grade policy, but this proposal has not yet been submitted to this Office for comment.

2. In summary, we believe that the necessary adjustment in our average grade can be accomplished without seriously affecting CS personnel management. We must, however, continue to have the capacity within average grade requirements to accommodate necessary upward grade adjustments and develop adequate staffing patterns for revised organizational structures. The average grade control to be effective must be carefully administered. As you know, for the sake of economy an increasingly large part of our overseas clerical support is being provided by contract personnel, a situation which results in a continuing increase in the CS average grade as clerical positions are converted to contract.

((Signed))

Richard Helms  
Deputy Director for Plans

~~SECRET~~

cc: Exec. Director-Comptroller  
D/Personnel  
C/BPAM

UNCLASSIFIED

INTERNAL  
USE ONLY

CONFIDENTIAL

SECRET

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:		EXTENSION	NO.
Deputy Director for Plans			DATE
TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
1. Ex. Dir. - Compt. 7 E 12	30/6 June 30		LBK
2. <del>BEAN</del> ER -			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			